



Using data to solve the retirement riddle

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Live Poll

How much superannuation is required for a comfortable retirement, for a couple

- More than \$3 million
- \$2 million - \$3 million
- \$1 million - \$2 million
- Less than \$1 million



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superannuation

Giant super balance of \$1.5 million needed for retired couple

Why you need
retirement
SMSFs say \$1 million in superannuation is enough
ave \$1 million each in super

Million-dollar super targets labelled

Fight over super's objective heats up

Dr Fahy argued the government's objective was not "aspirational enough," and risked not taking into account the growing costs to the budget of longevity, health care inflation, and aged care.

ASFA is lobbying for a super objective that includes some notion of adequacy. It defines as "comfortable" a post-retirement income of \$59,619 for a couple, which would require a super balance of about \$640,000.

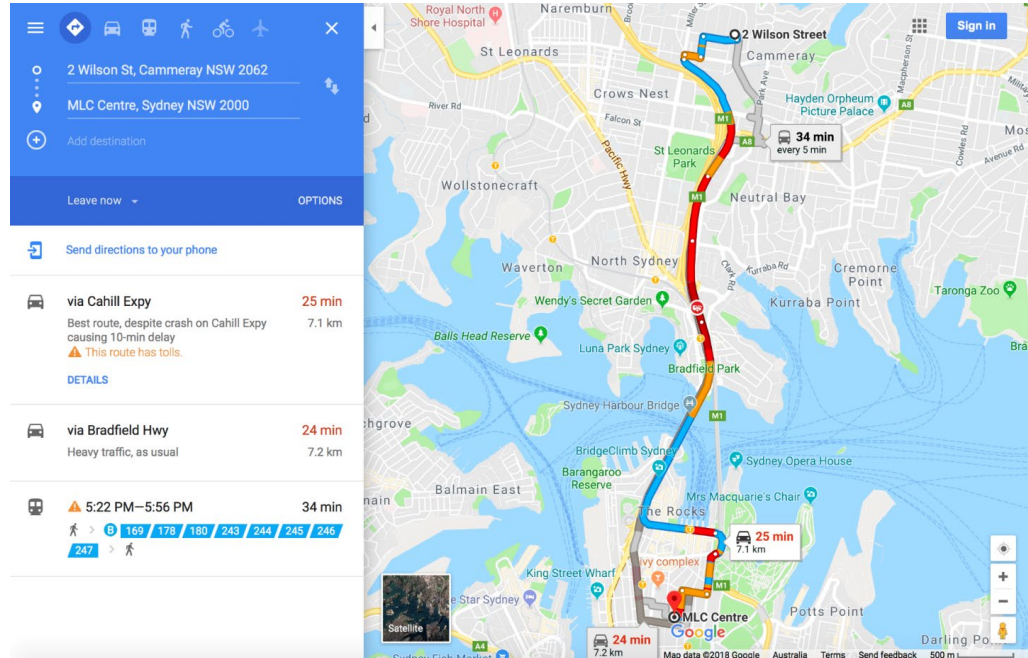
mental shortcuts that ease the cognitive load of making a decision. Examples include using a rule of thumb, an educated guess, an intuitive judgement, a guesstimate, profiling, or common sense.

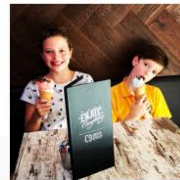
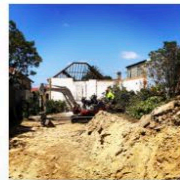
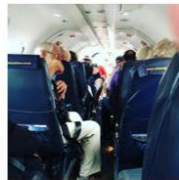
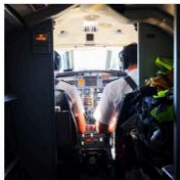
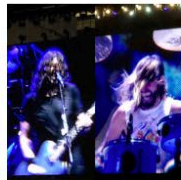
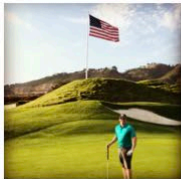
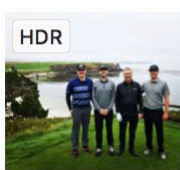
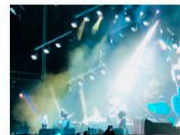
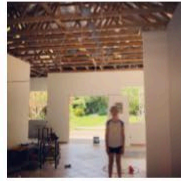
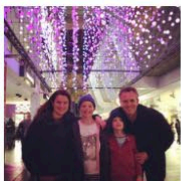
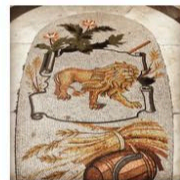
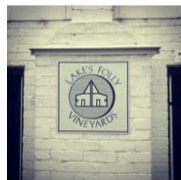
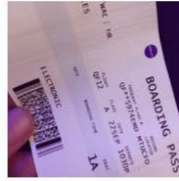
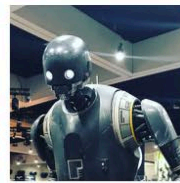
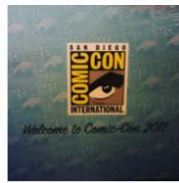
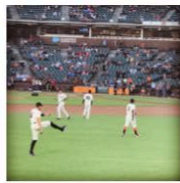
— Heuristics

“ Reports that stress you need at least \$1.5 million in order to have a comfortable retirement only scare people off from doing anything about preparing for the time they stop working. To avoid this anxiety, it helps to work out what you value so you can draw together a picture of what you want your retirement to look like.”

— Lisa Duggan, Founder Epona Financial Guidance

What will your retirement journey look like?







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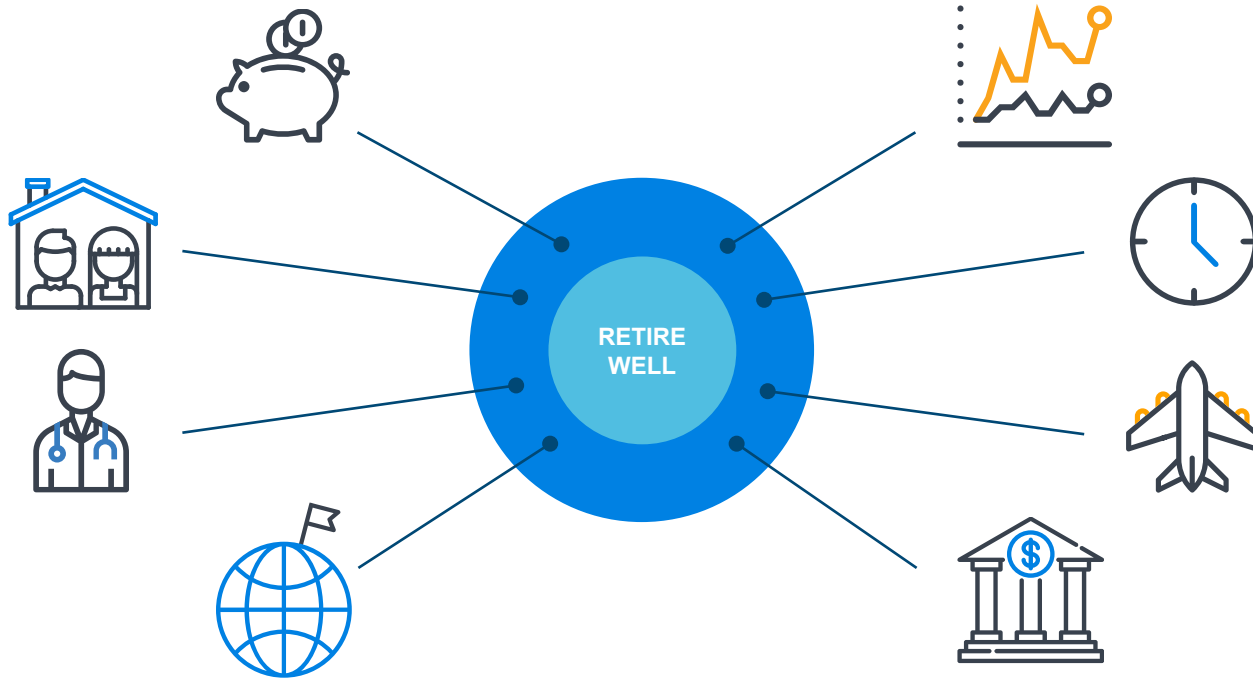


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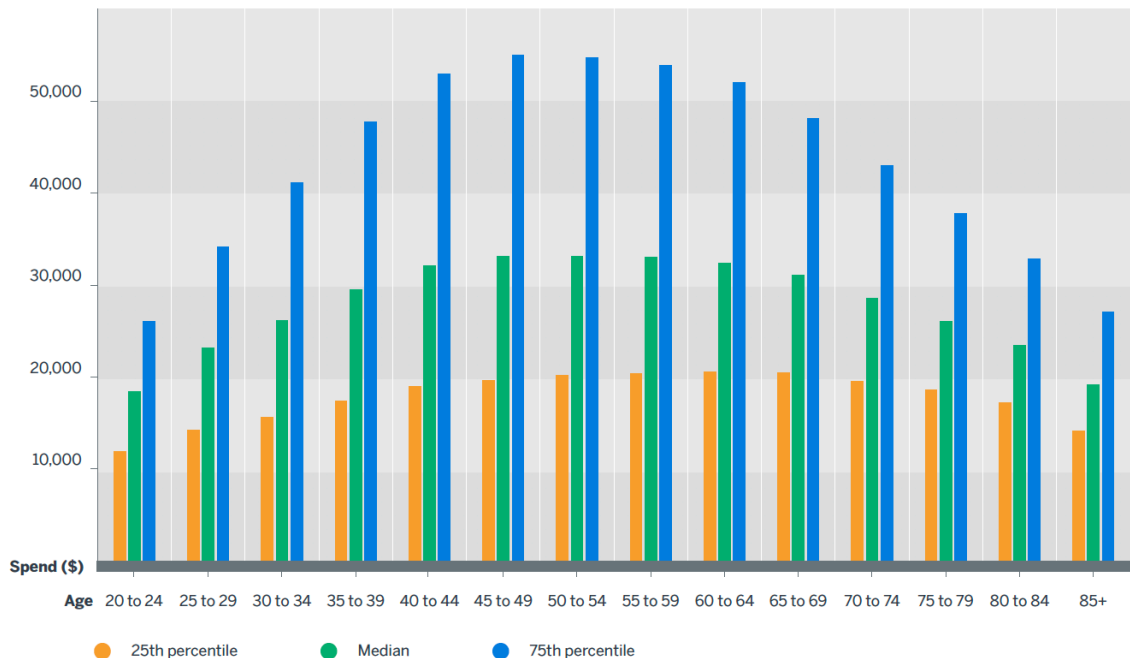
The factors influencing retirement lifestyles



Lifetime spending patterns – getting from A to B...

FIGURE 5:

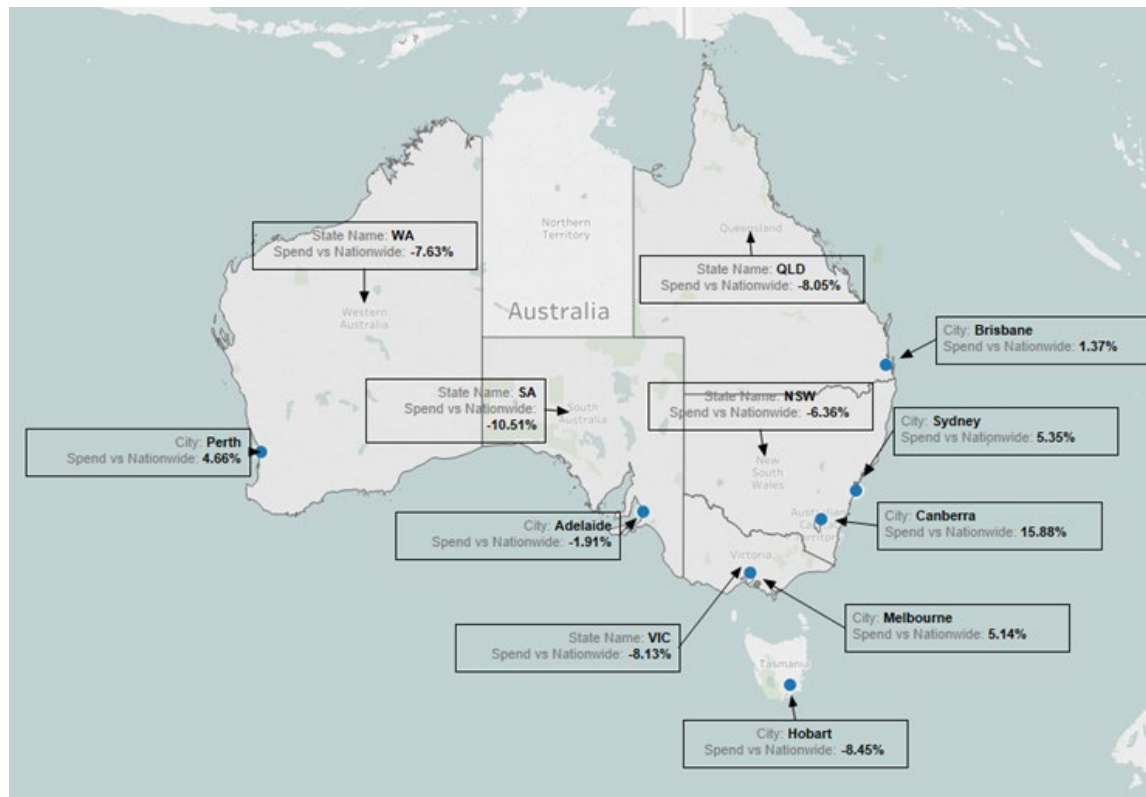
Observed Household Spend by Age



Source: Milliman Retirement ESP, Q1 2017

- Declining expenditure begins prior to retirement
- Healthcare spending rises, however it is more than offset by declines in other items such as leisure
- The importance of government support via the age pension & Medicare
- Over 75% of 65 year olds spend less than what the industry defines as a “comfortable” retirement

Location matters




- Where you live, or plan to retire will influence the amount you spend and quality of life
- City versus regional
- Sea and tree change behaviour
- You may need less than you think...

Giving meaning to superannuation

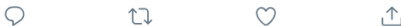
← **ASFA**  3,084 Tweets Following



ASFA  @asfaAUST · Aug 30
 Lismore residents have an average [#superannuation](#) balance of \$109,092 – trailing the state average of \$133,643. The legislated increase in [#SuperannuationGuarantee](#) to 12% will play an important role in helping more people achieve a comfortable [#retirement](#).



BAD NEWS: You may not have enough money to retire WITH many residents heading towards retirement, how well will they cope with their superannuation?
[northernstar.com.au](#)



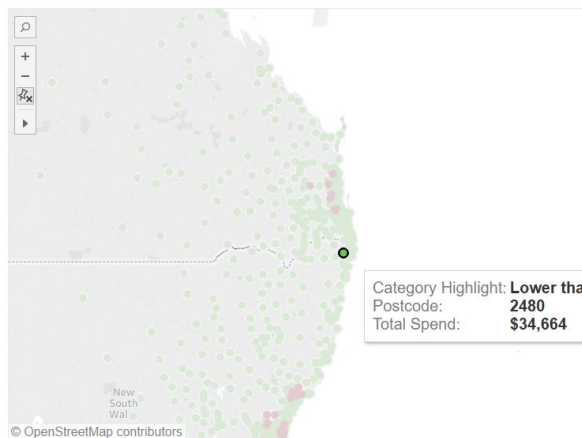
ASFA  @asfaAUST · Aug 26
 Residents of the Sunshine Coast's Fairfax electorate hold an average [#superannuation](#) account balance of \$133,232. As [@felicity_ripper](#) reports for [@the_daily](#), residents in coastal areas tend to hold higher balances than those in outer suburbs of cities



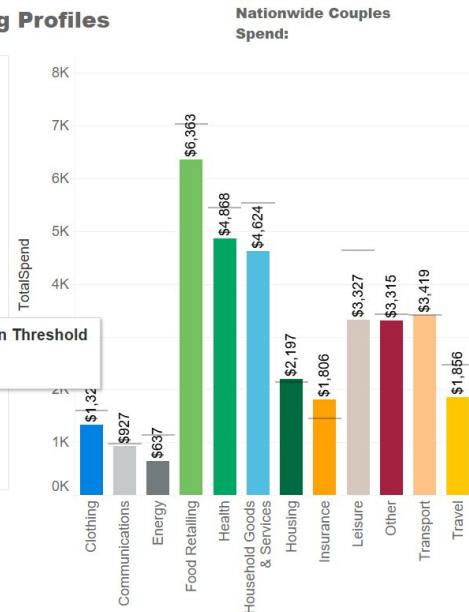
Coast retirees more comfortable than nation
 Coast residents' super account balances are tracking above state and national averages, according to new...
[sunshinecoastdaily.com.au](#)



Milliman Retirement Expectations and Spending Profiles



Category: Health
 Percentile: 80
 Threshold: Health Spend at Percentile 80
 ■ Higher than threshold
 ■ Lower than Threshold



Some ideas...

- Begin with lifestyles, not numbers
- Life is full of change, be prepared and remain flexible
- Seek assistance and resources that can help

